UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

| APPLICATION NO. | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO. | CONFIRMATION NO. |
|---|---|---|---|---|
| 09/745,205 | 12/21/2000 | Benoit Pol Menez | PU000178 | 8043 |

7590 02/16/2005

THOMSON Multimedia Licensing Inc.
Patent Operations
P.O. Box 5312
Two Independence Way
Princeton, NJ 08543-5312

| EXAMINER | |
|---|---|
| ABDI, KAMBIZ | |

| ART UNIT | PAPER NUMBER |
|---|---|
| 3621 | |

DATE MAILED: 02/16/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

| Office Action Summary | Application No. | Applicant(s) | |
|---|---|---|---|
| | 09/745,205 | MENEZ ET AL. | |
| | Examiner | Art Unit | |
| | Kambiz Abdi | 3621 | |

*-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --*

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

1)☒ Responsive to communication(s) filed on *12 October 2004*.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

4)☒ Claim(s) *1-4,6 and 11-13* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-4,6 and 11-13* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

**Application Papers**

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: _____.

## DETAILED ACTION

1. The prior office actions are incorporated herein by reference. In particular, the observations with respect to claim language.

- Claims 1 and 11-12 have been amended.
- Claims 5, and 7-10 have been cancelled.
- Claims 1-4, 6, and 11-13 are pending.

### *Continued Examination Under 37 CFR 1.114*

2. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 12 October 2004 has been entered.

### *Response to Amendment*

3. Applicant's arguments with respect to independent claims 1, 11 and 12 and consequently of claims 2-4, 6, and 13 have been considered but they are not persuasive as they do not distinguish the claims over the prior arts of record that has been presented to applicant and cited in the earlier rejections.

4. In response to applicant's argument that there is no suggestion to combine the references, the examiner recognizes that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. See *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). In this case, the teaching of Smith clearly discloses that one can control spending habits (in this case a minor in a credit environment) of others. The Smith

reference is clearly establishes such system and method. In addition, Urakoshi also is clear on such spending control of individuals and minors as well. However, these two references are not the only prior art of this kind for limiting the spending habits and control over spending of funds over a certain time periods. Reference such as U.S. Patent No. 5,845,260 to Hiroaki Nakano et al. is also directed towards such limitation control. Also one skilled in the art would indeed have a reasonable motivation of how to combine these different references to arrive at what the applicant is claiming.

5. In response to applicant's argument that Smith reference is nonanalogous art, it has been held that a prior art reference must either be in the field of applicant's endeavor or, if not, then be reasonably pertinent to the particular problem with which the applicant was concerned, in order to be relied upon as a basis for rejection of the claimed invention. See *In re Oetiker*, 977 F.2d 1443, 24 USPQ2d 1443 (Fed. Cir. 1992). In this case, the applicants claim is not the invention of Television or broadcasting of programs, but the control of spending habits of others. That is what directly is related to Smith reference, which is directly related to limiting spending habits of users not the environment that it is used in that is call charge control.

6. The rejection under 35 U.S.C. 101 has been maintained.

***Claim Rejections - 35 USC §101***

7. As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first

test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

8. Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

9. This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson,* 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

> The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. *In re Toma* at 857.

10. In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

11. The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.*, the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele test used in *Toma*. However, State Street never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

12. In the present application, the amended claim 1 still is considered non-statuary as the change in the claim only appears in the pre-amble of the claim , which only relays the intention of use as it is stated as "in a television apparatus".

13. Claims 1-4, and 6 remain rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. The claims are directed to a process that does nothing more than manipulate an abstract idea. There is no practical application in the technological arts (There is no means of mechanical or electronic use or manipulation of data).

16. It is noted that method claim 1 fails to recite/define a computer, machine or device that would render the claims in the technological arts and in statutory status. Furthermore, claims 2-4, and 6 being dependent on rejected independent claims 1 are rejected as well.

***Claim Rejections - 35 USC § 103***

17. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

18. Claims 1-4, 6, and 11-13 are rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 5,559,871 to David B. Smith in view of U.S. Patent No. 6,067,564 to Akira Urakoshi et al.

19. As per claims 1 and 11, Smith clearly discloses a method and a system for controlling user spending of a user purchasing television programs in a television apparatus, comprising the steps of:

- Detecting a first user request; providing a plurality of selectively actuatable entries for user spending limits each entery being associated with a different-length time period, in response to the first user request (See Smith abstract, figures 2-10 and associated text, column 1, lines 43-68, column 2, lines 1-35, column 3, lines 52-68, column 4, lines 30-47, and column 5, lines 46-62);
- Receiving user selection of at least one of the plurality of selectively actuable entries and a spending limit for the selected at least one of the plurality of selectively actuable entries (See Smith abstract, figures 2-10 and associated text, column 1, lines 43-68, column 2, lines 1-35, column 3, lines 52-68, column 4, lines 30-47, and column 5, lines 46-62); and
- Tracking a second user request to purchase a television program during the time period associated with each selected entry (See Smith abstract, figures 2-10 and associated text,

column 1, lines 43-68, column 2, lines 1-35, column 3, lines 52-68, column 4, lines 30-47, and column 5, lines 46-62); and

- Notifying the user in response to the second user request, if purchasing the requested television program would exceed the spending limit during the time period for any selected entry (See Smith abstract, figures 2-10 and associated text, column 1, lines 43-68, column 2, lines 1-35, column 3, lines 52-68).

What Smith is not specific is controlling user spending of purchasing television programs.

However, Urakoshi clearly teaches the limitation of spending control for purchasing television programs for multiple users and tracking such use of allotment (See Urakoshi abstract, figures 3, 4, 6, and 11, column 2, lines 9-30 and column 5, lines 40-49).

Therefore, it would have been obvious to one having ordinary skill in the art at the time the current invention was made to combine the Smith teaching with Urakoshi teachings to have better control and management of the charges to one having a subscription to a portal system such as pay-per-view or cable program purchasing.

20. As per claim 2, Smith and Urakoshi teach all the limitations of claim 1, further;

Smith teaches,

the step of providing a selection for a rolling time period (See Smith abstract, figures 2-10 and associated text, column 1, lines 43-68, column 2, lines 1-35, column 3, lines 52-68, column 4, lines 30-47, and column 5, lines 46-62).

21. As per claim 3, Smith and Urakoshi teach all the limitations of claim 1, further;

Smith teaches,

The step comprises of generating a user warning (See Smith abstract, figures 2-10 and associated text, column 1, lines 43-68, column 2, lines 1-35, column 3, lines 52-68, column 4, lines 30-47, and column 5, lines 46-62).

22. As per claim 4, Smith and Urakoshi teach all the limitations of claim 1, further;

Smith teaches,

the step of allowing the user to override the user spending limit (See Smith abstract, figures 2-10 and associated text, column 1, lines 43-68, column 2, lines 1-35, column 3, lines 52-68, column 4, lines 30-47, and column 5, lines 46-62).

23. As per claims 6 and 13, Smith and Urakoshi teach all the limitations of claims 1 and 12, further;

Smith teaches,

performing a check to see if a spending limit for a shorter time period is greater than a spending limit entry for a longer time period; and providing a user warning if the spending limit for the shorter time period is greater (See Smith abstract, figures 2-10 and associated text, column 1, lines 43-68, column 2, lines 1-35, column 3, lines 52-68, column 4, lines 30-47, and column 5, lines 46-62).

Smith is not clear on the comparison of limits of the shorter time period and the longer time period and generating a warning. However, Urakoshi clearly teaches the control steps for time limit on spending and comparing the actual spending and the set limits as well as the budget that is designated (longer period spending) (See Urakoshi abstract, figures 3, 4, 6, and 11, column 2, lines 9-30, column 4, lines 42-68, and column 5, lines 1-3 and lines 40-49). In addition, it is examiners understanding that one cannot spend for example $100 for a period of one day when the total spending limit for a month is set to be no more than $50 within the same month. Therefore, it would have been obvious to one having ordinary skill in the art at the time the current invention was made to add the step and limitation of comparing the shorter period spending with longer period spending to be incorporated within Smith or Urakoshi teachings to avoid over spending.

24. As per claim 12, A television apparatus for controlling user spending of a user purchasing television programs, comprising;

- a user interface for receiving a first user request; means for providing a plurality of spending limit entries for a single user each entry corresponding to a different time period, in

response to the first user request (See Smith abstract, figures 2-10 and associated text, column 1, lines 43-68, column 2, lines 1-35, column 3, lines 52-68, column 4, lines 30-47, and column 5, lines 46-62);

- means for receiving user selection of and a spending limit for at least one of the spending limit was entries (See Smith abstract, figures 2-10 and associated text, column 1, lines 43-68, column 2, lines 1-35, column 3, lines 52-68, column 4, lines 30-47, and column 5, lines 46-62);
- means for tracking a second user request to purchase a television program during each different time period for which a spending limit was received; and (See Smith abstract, figures 2-10 and associated text, column 1, lines 43-68, column 2, lines 1-35, column 3, lines 52-68, column 4, lines 30-47, and column 5, lines 46-62).
- Means for notifying the user in response to the second user request, if purchasing the requested television program would exceed the spending limit during the time period for any selected entry. (See Smith abstract, figures 2-10 and associated text, column 1, lines 43-68, column 2, lines 1-35, column 3, lines 52-68).

What Smith is not specific is controlling user spending of purchasing television programs. However, Urakoshi clearly teaches the limitation of spending control for purchasing television programs (See Urakoshi abstract, figures 3, 4, 6, and 11, column 2, lines 9-30 and column 5, lines 40-49). Therefore, it would have been obvious to one having ordinary skill in the art at the time the current invention was made to combine the Smith teaching with Urakoshi teachings to have better control and management of the charges to one having a subscription to a portal system such as pay-per-view or cable program purchasing.

25. Examiner has pointed out particular references contained in the prior arts of record in the body of this action for the convenience of the applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested from the applicant, in preparing the response, to consider fully the entire references as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior arts or disclosed by the examiner.

***Conclusion***

26. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Kambiz Abdi whose telephone number is (703) 305-3364. The examiner can normally be reached on 9 AM to 5:00 PM.

27. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James P Trammell can be reached on (703) 305-9768. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

28. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Any response to this action should be mailed to:

**Commissioner of Patents and Trademarks**
**Washington, D.C. 20231**

or faxed to:

(703) 872-9306 [Official communications; including After Final communications labeled "Box AF"]

(703) 746-7749 [Informal/Draft communications, labeled "PROPOSED" or "DRAFT"]

Hand delivered responses should be brought to:

**Crystal Park 5, 2451 Crystal Drive**
**7th floor receptionist, Arlington, VA, 22202**

**Kambiz Abdi**
Examiner

**February 15, 2005**